



# Practical Tips

## Doing Business with the UN System

January 2004

Published by



## **CONTENTS**

### **1. WHAT IS THE UN MARKET?**

- 1.1 Overview
- 1.2 Profile of the UN System
- 1.3 List of Major Goods
- 1.4 List of Major Services

### **2. HOW DOES THE UN SYSTEM PROCURE?**

### **3. HOW TO MARKET YOUR COMPANY AND ESTABLISH CONTACTS?**

### **4. REGISTRATION WITH THE UN SYSTEM**

### **5. IN BRIEF**

- 5.1 Do's
- 5.2 Don'ts

### **6. OTHER RESOURCE MATERIAL**

- 6.1 Emergency Relief Items, Volumes 1 & 2
- 6.2 United Nations Common Coding System (UNCCS) Thesaurus

### **7. GENERAL TERMS AND CONDITIONS**

### **8. CONTACT INFORMATION**

# **1. WHAT IS THE UN MARKET?**

## **1.1 Overview**

The United Nations, including its many affiliated agencies, represents an international market of US\$ 4.6 billion for suppliers of virtually all types of goods and services. Such a market is well worth your serious consideration. It provides an excellent springboard to introduce your goods and services to other countries and regions.

## **1.2 Profile of the UN System**

Links to the various organizations concerned with procurement can be located at <http://unbiz.un.int>.

## **1.3 List of major goods procured**

- Motor Vehicles
- Office Equipment
- Water Supply Systems
- Personal Computers
- Power Generators
- Laboratory Items
- Communications Equipment
- Agricultural Equipment
- Food Items
- Medical Supplies and Equipment
- Shelter Items
- Paper and Paper Products
- Construction Equipment
- Construction Materials
- Fertilizer and Seeds
- Petroleum Products

- Chlorofluorocarbon Substitution Equipment

#### **1.4 List of major services procured**

- Agriculture
- Energy
- Natural Resources
- Environment
- Legal Services
- Technical Services
- Communication
- Transportation
- Management and Other Business Services (Public Administration)
- Manufacturing Services (Start-up Operations/  
Pilot Plants/Turnkey Operations)
- Education, Training and Social Services

## **2.0 HOW DOES THE UN SYSTEM PROCURE?**

**2.1** The UN system operates on budgets funded by its members. Each Agency has a separate budget approved by its respective Executive Board.

**2.2** Competitive tendering is used by the UN system to award contracts. The normal procedures followed for the various procurement levels of individual contracts is as follows (with minor variations among the agencies):

Values of purchase orders up to US\$ 30,000: A direct selection of possible suppliers is done by the procurement officer concerned, normally three suppliers are identified. Based on an analysis of the quotations received, the order is awarded to the supplier that meets the specifications and delivery terms and has the lowest price.

Value of Purchase orders from US\$ 30,000 up to US\$ 100,000: Limited competitive bidding is done by inviting a pre-selected short list of suppliers to respond through sealed bids. The shortlist consists of suppliers from developing countries, including the recipient country; under-utilized donor countries and other donor countries. The order is awarded to the most qualified and responsive contractor submitting the lowest bid.

Value of Purchase orders from US\$ 100,000 and up: International competitive bidding is the rule. If exigencies of a project so allow, suppliers are invited to bid by advertisement in the UN publication *Development Business* [www.devbusiness.com](http://www.devbusiness.com), IAPSO's *Procurement Notices* on [www.iapso.org](http://www.iapso.org) or in other trade publications. When requests for proposals have been issued, contracts shall be awarded to the best-evaluated responsive offer.

**2.3** The major emphasis is to achieve best value for money through transparent procurement process.

### **3.0 How to market your company and establish contacts?**

**3.1** With so many UN organizations procuring goods and services, you might feel daunted by the size and complexity of the UN system - don't be!

**3.2** It is unlikely that every UN organization will require your goods and services. You just need to find out what each agency's procurement requirements are, and then market your goods and/or services aggressively. The following publications are useful for this:

- ['The General Business Guide'](#) will help you learn which UN organizations purchase the goods or services your company supplies. The Guide describes the mandates, procurement needs, procedures and contact details for all UN organizations.
- IAPSO provides statistics on procurement data in [The Annual Statistical Report](#). The report provides data on procurement of goods and services from 40 UN organizations and UNDP's network of country offices.
- 'Development Business' is a publication providing a comprehensive source of information on opportunities to supply goods, works and services for projects financed by

the United Nations, governments and the world's leading development banks. Please see [www.devbusiness.com](http://www.devbusiness.com) for more information.

**3.3** Once a supplier has researched the United Nations market and has identified the agency or agencies with which it wishes to conduct business, it is recommended that a company presentation is made to the relevant procurement personnel. Either by requesting a meeting or by providing promotional materials describing the company's products and/or services.

## **4.0 REGISTRATION WITH THE UN SYSTEM**

**4.1** It is recommended to consider registering with the United Nations Global Marketplace. The UN Global Marketplace acts as an important procurement tool to shortlist suppliers for competitive bidding. Its database of active and potential suppliers is available to all UN and World Bank procurement personnel, and is the main supplier database of 12 UN organizations. Potential suppliers of goods and/or services are encouraged to register their company on the UN Global Marketplace.

In order to register, the supplier must complete the initial registration process on [www.ungm.org](http://www.ungm.org). After doing so the supplier will receive login details by email. The supplier uses these login credentials to go in and complete the online registration form, also on [www.ungm.org](http://www.ungm.org). As part of the registration process, the supplier must select at least one UN agency to register with. The supplier's registration form will be evaluated by the chosen agency/agencies, before being accepted on the UN Global Marketplace.

Registration is free of charge.

For more information on the UN Global Marketplace and how to register please refer to [www.ungm.org](http://www.ungm.org), or alternatively contact the UN Global Marketplace Secretariat in Copenhagen at the below address.

**UN Global Marketplace Secretariat**

UNDP/IAPSO

Midtermolen 3

DK-2100 Copenhagen Ø

Denmark

Tel.: +45 35467107

Fax: +45 35467005

E-mail: [registry@ungm.org](mailto:registry@ungm.org)

Website: [www.ungm.org](http://www.ungm.org)

Please note, however, that even though registration on the UN Global Marketplace is open to all procurement staff, some organizations do have their own supplier database. Therefore, it is important that potential suppliers also register with UN agencies that do not directly support the UN Global Marketplace. For links to other UN organizations please refer to <http://unbiz.un.int> and [www.unsystem.org](http://www.unsystem.org).

## **5.0 IN BRIEF**

### **5.1 Do's**

- Find out which UN agencies have traditional requirements for your types of goods or services;
- Find out which agencies require formal registration and which don't;
- Familiarize yourself with each agency's procurement procedures;
- Keep information on your company and its products up-to-date;
- Remember that the UN is humanitarian in nature;
- Make an appointment, it ensures that the person you want to meet is there;
- Company profiles should be summarized in one page (annexes can be attached) and presentations should be brief;
- Check procurement notices regularly;
- Always respond promptly to an inquiry or request for proposal from a UN agency. (Note: if you are not interested or unable at the time, always reply in order to keep your organization on the active list).

### **5.2 Don'ts**

- Don't give up too easily: developing and establishing contacts and business with UN agencies requires the same time as dealing with another new market.

## **6.0 OTHER RESOURCE MATERIAL**

In addition to the publications listed under 3.3, IAPSO, on behalf of the UN system, offers the following publications for sale:

### **6.1 Emergency Relief Items:**

#### **(a) Volume 1, Compendium of Generic Specifications (US\$ 20)**

Provides specifications for telecommunication equipment, shelter and housing, water supply, food, sanitation and hygiene, and materials handling required

during the first phase of an emergency, along with selection guidelines.

#### **(b) Volume 2, Compendium of Basic Specifications (US\$ 20)**

Provides specifications for medical supplies and equipment required during the first phase of an emergency, along with selection guidelines.

### **6.2 United Nations Common Coding System (UNCCS) Thesaurus (US\$ 20)**

An alphabetical and numerical index of goods and services. UNCCS codes can also be referenced online at [www.ungm.org](http://www.ungm.org).

## **7.0 GENERAL CONDITIONS FOR THE PROCUREMENT OF GOODS**

### **ACCEPTANCE OF THE PURCHASE ORDER**

This Purchase Order may only be accepted by the Supplier's signing and returning an acknowledgment copy of it or by timely delivery of the goods in accordance with the terms of this Purchase Order, as herein specified.

Acceptance of this Purchase Order shall effect a contract between the Parties under which the rights and obligations of the Parties shall be governed solely by the terms and conditions of this Purchase Order, including these General Conditions. No additional or inconsistent provisions proposed by the Supplier shall bind the UN Organization unless agreed to in writing by a duly authorized official of the UN Organization.

### **PAYMENT**

(1) The UN Organization shall, on fulfilment of the Delivery Terms, unless otherwise provided in this Purchase Order, make payment within 30 days of receipt of the Supplier's invoice for the goods and copies of the shipping documents specified in this Purchase Order.

(2) Payment against the invoice referred to above will reflect any discount shown under the payment terms of this Purchase Order, provided payment is made within the period required by such payment terms.

(3) Unless authorized by the UN Organization, the Supplier shall submit one invoice in respect of this Purchase Order, and such invoice must indicate the Purchase Order's identification number.

(4) The prices shown in this Purchase Order may not be increased except by express written agreement of the UN Organization.

### **TAX EXEMPTION**

(1) Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter alia, that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for utilities services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize the UN Organization's exemption from such taxes, duties or charges, the Supplier shall immediately consult with the UN Organization to determine a mutually acceptable procedure.

(2) Accordingly, the Supplier authorizes the UN Organization to deduct from the Supplier's invoice any amount representing such taxes, duties or charges, unless the Supplier has consulted with the UN Organization before the payment thereof and the UN Organization has, in each instance, specifically authorized the Supplier to pay such taxes, duties or charges under protest. In that event, the

Supplier shall provide the UN Organization with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

### **EXPORT LICENCES**

Notwithstanding any INCOTERM used in this Purchase Order, the Supplier shall obtain any export licenses required for the goods.

### **RISK OF LOSS**

Notwithstanding any INCOTERM used in this Purchase Order, risk of loss, damage to, or destruction of the goods shall be borne by the Supplier until physical delivery of the goods to the consignee has been completed in accordance with the terms of this Purchase Order.

### **FITNESS OF GOODS/PACKAGING**

The Supplier warrants that the goods, including packaging, conform to the specifications for the goods ordered under this Purchase Order and are fit for the purposes for which such goods are ordinarily used and for purposes expressly made known to the Supplier by the UN Organization, and are free from defects in workmanship and materials. The Supplier also warrants that the goods are contained or packaged adequately to protect the goods.

## **INSPECTION**

(1) The UN Organization shall have a reasonable time after delivery of the goods to inspect them and to reject and refuse acceptance of goods not conforming to this Purchase Order; payment for goods pursuant to this Purchase Order shall not be deemed an acceptance of the goods.

(2) Inspection prior to shipment does not relieve the Supplier from any of its contractual obligations.

## **INTELLECTUAL PROPERTY INFRINGEMENT**

The Supplier warrants that the use or supply by the UN Organization of the goods sold under this Purchase Order does not infringe any patent, design, trade name or trademark. In addition, the Supplier shall, pursuant to this warranty, indemnify, defend and hold UNICEF and the United Nations harmless from any actions or claims brought against the UN Organization or the United Nations pertaining to the alleged infringement of a patent, design, trade-name or trade-mark arising in connection with the goods sold under this Purchase Order.

## **RIGHTS OF THE UN ORGANIZATION**

In case of failure by the Supplier to fulfil its obligations under the terms and conditions of this Purchase Order including, but not limited to, failure to obtain necessary export licenses, or to make delivery of all or part of the goods by the agreed delivery date or dates, the UN Organization may, after giving the Supplier reasonable notice to

perform and without prejudice to any other rights or remedies, exercise one or more of the following rights:

(a) Procure all or part of the goods from other sources, in which event the UN Organization may hold the Supplier responsible for any excess cost occasioned thereby.

(b) Refuse to accept delivery of all or part of the goods.

(c) Terminate this Purchase Order without any liability for termination charges or any other liability of any kind of the UN Organization.

#### **LATE DELIVERY**

Without limiting any other rights or obligations of the parties hereunder, if the Supplier will be unable to deliver the goods by the delivery date(s) stipulated in this Purchase Order, the Supplier shall (i) immediately consult with the UN Organization to determine the most expeditious means for delivering the goods and (ii) use an expedited means of delivery, at the Supplier's cost (unless the delay is due to Force Majeure), if reasonably so requested by the UN Organization.

#### **ASSIGNMENT AND INSOLVENCY**

(1) The Supplier shall not, except after obtaining the written consent of the UN Organization, assign, transfer, pledge or make other disposition of this Purchase Order, or any part thereof, or any of the Supplier's rights or obligations under this Purchase Order.

(2) Should the Supplier become insolvent or should control of the Supplier change by virtue of insolvency the UN Organization may, without prejudice to any other rights or remedies, immediately terminate this Purchase Order by giving the Supplier written notice of termination.

### **USE OF UNITED NATIONS ORGANIZATION NAMES OR EMBLEMS**

The Supplier shall not use the name, emblem or official seal of any UN Organizations, for any purpose.

### **PROHIBITION ON ADVERTISING**

The Supplier shall not advertise or otherwise make public that it is furnishing goods or services to UN Organizations without specific permission of the UN Organization in each instance.

### **SETTLEMENT OF DISPUTES**

#### **(a) Amicable Settlement**

The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to, this Purchase Order or the breach, termination or invalidity thereof. Where the Parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then prevailing, or according to such other procedure as may be agreed between the Parties.

#### **(b) Arbitration**

Unless any such dispute, controversy or claim between the Parties arising out of or relating to this Purchase Order, or the breach, termination or invalidity thereof is settled amicably under the preceding paragraph of this Section within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, such dispute, controversy or claim shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then prevailing. The arbitral tribunal shall have no authority to award punitive damages. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute.

### **PRIVILEGES AND IMMUNITIES**

Nothing in or related to these General Conditions or this Purchase Order shall be deemed a waiver of any of the privileges and immunities of the United Nations, including its subsidiary organs.

### **CHILD LABOUR**

The Supplier represents and warrants that neither it nor any of its affiliates is engaged in any practice inconsistent with the rights set forth in the Convention of the Rights of the Child, including Article 32 thereof, which, inter alia, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health

or physical, mental, spiritual, moral or social development. Any breach of this representation and warranty shall entitle the UN Organization to terminate this Purchase Order immediately upon notice to the Supplier, without any liability for termination charges or any other liability of any kind of the UN Organization.

### **MINES**

The Supplier guarantees that neither the Supplier's company, nor any of its affiliates, nor any subsidiaries controlled by its company, is engaged in the sale or manufacture of anti-personnel mines or of components utilized in the manufacture of anti-personnel mines. The Supplier recognizes that a breach of this provision will entitle the UN Organization to terminate its supply contract with the Supplier.

## **9.0 CONTACT INFORMATION**

General advice about dealing with the UN system can be obtained from the Inter-Agency Support Centre at:

IASC  
UNDP/IAPSO  
Midtermolen 3  
DK-2100 Copenhagen Ø  
Denmark  
Tel.: +45 35467000  
Fax: +45 35467001  
E-mail: [registry@iapso.org](mailto:registry@iapso.org)  
Website: <http://www.iapso.org>